

MONTANA SENATE  
2007 LEGISLATURE

ROLL CALL

PUBLIC HEALTH, WELFARE & SAFETY

DATE 2-19-07

NAMES	PRESENT	ABSENT	EXCUSED
SEN. JOHN COBB (R)	✓		
SEN. JOHN ESP (R)	✓		
SEN. KIM GILLAN (D)	✓		
SEN. LYNDA MOSS (D)	✓		
SEN. TERRY MURPHY (R)	✓		
SEN. JERRY O'NEIL (R)	✓		
SEN. TRUDI SCHMIDT (D)	✓		
SEN. CAROL WILLIAMS (D)	✓		
SEN. DAN WEINBERG(D) CHAIR	✓		
LISA JACKSON (LSD)	✓		
PRUDENCE GILDROY, SECRETARY	✓		



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 1

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Joint Resolution 19** (first reading copy -- white) **do pass**.

Signed: \_\_\_\_\_

*Dan Weinberg*  
Senator Dan Weinberg, Chair

- END -

Committee Vote:

Yes 8, No 1

Fiscal Note Required — *K1*

380943SC.spb



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 1

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 246**  
(first reading copy -- white) **do pass.**

Signed: \_\_\_\_\_

*Dan Weinberg*  
Senator Dan Weinberg, *Chair*

- END -

Committee Vote:

Yes 5, No 4

Fiscal Note Required \_\_\_\_\_

*K*

380942SC.spb



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 2

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 289** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Dan Weinberg, Chair*

**And, that such amendments read:**

1. Title, page 1, line 5.

**Following:** "FOR"

**Insert:** "ASTHMA,"

**Following:** "ALLERGIES"

**Insert:** ", OR ANAPHYLAXIS"

2. Page 1, line 11.

**Following:** "asthma"

**Insert:** "asthma, severe allergy, or anaphylaxis"

3. Page 1, line 26.

**Following:** "asthma"

**Strike:** "or"

**Insert:** ", "

**Following:** "allergies"

**Insert:** ", or anaphylaxis"

4. Page 2, line 6.

**Following:** "necessary to"

**Strike:** "administer the"

**Insert:** "self-administer the asthma, severe allergy, or anaphylaxis"

5. Page 2, line 20.

**Following:** "self-administration of"

**Insert:** "asthma, severe allergy, or anaphylaxis"

6. Page 2, line 21.

**Committee Vote:**

**Yes 9, No 0**

Fiscal Note Required — *Kf*

380957SC.spb

Following: "medication"  
Insert: "expires or the"

7. Page 2, line 23.

Following: "asthma"

Strike: "or"

Insert: ", "

Following: "allergies"

Insert: ", or anaphylaxis"

8. Page 3, line 2.

Following: "nurse,"

Insert: "asthma, severe allergy, or anaphylaxis"

9. Page 3, line 4.

Following: "asthma"

Insert: ", severe allergy,"

10. Page 3, line 8.

Following: "asthma"

Strike: "and"

Insert: ", severe"

Following: "allergy"

Insert: ", or anaphylaxis"

- END -



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 2

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 354** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Dan Weinberg, Chair*

**And, that such amendments read:**

1. Page 1, line 10.

**Strike:** "3"

**Insert:** "4"

2. Page 1, line 12.

**Strike:** "three insurers"

**Insert:** "top five insurers or third-party administrators"

3. Page 1, line 13.

**Following:** "state"

**Insert:** "in January 2007"

4. Page 1, line 14.

**Following:** "services."

**Insert:** "This January 2007 conversion factor is applicable for state fiscal years 2008, 2009, 2010, 2011, 2012, and 2013. In state fiscal year 2014 and for each state fiscal year thereafter, the conversion factor is the weighted average of the conversion factors used by the top five insurers or third-party administrators providing disability insurance to the most beneficiaries within the state who use the resource-based relative value scale to determine fees for covered services."

5. Page 1, line 26.

**Following:** "reimbursement."

**Insert:** "(1)"

6. Page 1, line 27.

**Committee Vote:**

**Yes 7, No 2**

Fiscal Note Required — *Kf*

380956SC.spb



**Following:** "multiplying"  
**Insert:** "a percentage of"

7. Page 1, line 28.

**Following:** "service"

**Insert:** "times any applicable policy adjusters"

8. Page 1, following line 28.

**Insert:** "(2) (a) For state fiscal years 2008 and 2009, the percentage of the conversion factor will be determined by the appropriation of the 2007 legislature for physician reimbursement.

(b) For state fiscal year 2010, the 2009 percentage of the conversion factor will be increased by a minimum of 6%.

(c) For state fiscal year 2011, the 2010 percentage of the conversion factor will be increased by a minimum of 6%.

(d) For state fiscal year 2012, the 2011 percentage of the conversion factor will be increased by a minimum of 6%.

(e) For state fiscal year 2013, the 2012 percentage of the conversion factor will be increased by a minimum of 6%.

(f) For state fiscal year 2014 and for each state fiscal year thereafter, the percentage of the conversion factor will be equivalent, at a minimum, to state fiscal year 2013."

9. Page 1, line 29.

**Insert:** "NEW SECTION. Section 3. Providing conversion factors to department. The top five insurers or third-party administrators shall provide their standard conversion factors to the department, which may be used only for the purpose of determining average conversion rates and which must remain confidential."

**Renumber:** subsequent sections

10. Page 2, line 3.

**Strike:** "3"

**Insert:** "4"

11. Page 2, line 5.

**Strike:** "3"

**Insert:** "4"

- END -



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 2

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 288** (first reading copy -- white) **do pass as amended.**

Signed: \_\_\_\_\_

*Senator Dan Weinberg, Chair*

**And, that such amendments read:**

1. Title, line 5.

**Following:** "ADOLESCENT"

**Strike:** "OR OUTDOOR"

**Following:** "RESIDENTIAL"

**Insert:** "OR OUTDOOR"

2. Page 2, line 21.

**Following:** "unsuitable"

**Insert:** "by the board"

3. Page 2, line 29.

**Following:** "(1)"

**Insert:** "(a)"

4. Page 2, line 30 through page 3, line 2.

**Following:** "shall"

**Strike:** "provide" on page 2, line 30 through "check" on page 3, line 2

**Insert:** "submit fingerprints for the purpose of fingerprint checks"

5. Page 3.

**Following:** line 3

**Insert:** "(b) Each manager and worker affiliated with the program who will have direct access to a program participant shall sign a release of information to the board. The program is responsible to the department of justice for the payment of all fees associated with the criminal background check."

**Committee Vote:**

Yes 8, No 1

Fiscal Note Required \_\_\_\_\_

*KF*

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(c) Upon completion of the criminal background check, the department of justice shall forward to the board, as authorized in 44-5-303, all criminal justice information, as defined in 44-5-103, that involves the conviction of a criminal offense in any jurisdiction concerning any manager or worker affiliated with the program who will have direct access to a program participant.

(d) At the conclusion of any background check required by this section, the criminal background check report must be provided to the board, but the board may not receive the fingerprint card of the person. Upon receipt of the criminal background check report, the department of justice shall promptly destroy the fingerprint card of the person."

6. Page 3, line 4 through line 5.

**Strike:** subsection (2) in its entirety

**Insert:** "(2) If any manager or worker affiliated with the program who will have direct access to a program participant has a history of criminal convictions, then pursuant to 37-1-203, the program has the opportunity to demonstrate to the board that the person is sufficiently rehabilitated to warrant the public trust. If the board determines that the person is not sufficiently rehabilitated, the board may deny the license."

7. Page 6, line 12.

**Following:** "rehabilitation,"

**Insert:** "secondary care of chemical dependency,"

8. Page 6, line 14.

**Following:** "dysfunctions"

**Strike:** ", "

**Insert:** "or"

**Following:** "impairments"

**Strike:** ", or chemical dependency"

- END -



## SENATE STANDING COMMITTEE REPORT

February 21, 2007

Page 1 of 1

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Joint Resolution 7** (first reading copy -- white) **do pass**.

Signed: \_\_\_\_\_

*Dan Weinberg*  
Senator Dan Weinberg, *Chair*

- END -

**Committee Vote:**

**Yes 7, No 1**

Fiscal Note Required \_\_\_\_\_

*Kf*

391046SC.spb



## SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 1

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 397**

(first reading copy -- white) **do pass.**

Signed: \_\_\_\_\_

*Dan Weinberg*  
Senator Dan Weinberg, Chair

- END -

**Committee Vote:**

**Yes 6, No 2**

Fiscal Note Required     Kf    

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## SENATE STANDING COMMITTEE REPORT

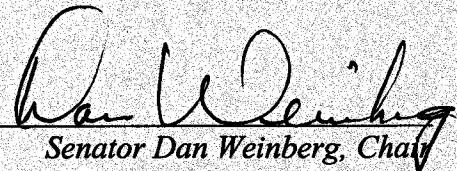
February 20, 2007

Page 1 of 1

Mr. President:

We, your committee on **Public Health, Welfare and Safety** recommend that **Senate Bill 186** (first reading copy -- white) **do pass as amended.**

Signed:

  
Senator Dan Weinberg, Chair

**And, that such amendments read:**

1. Title, page 1, line 9.

**Strike:** "AND"

**Following:** "MCA"

**Insert:** "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 1, line 29.

**Following:** "20-6-701."

**Insert:** "with 25 or more employees,"

3. Page 1, line 30.

**Following:** "provide"

**Insert:** "only to insurers or associations specifically identified by the district"

4. Page 2, following line 4.

**Insert:** "(b) Any insurer or association that receives summary health information and large claim information shall provide a fair and reasonable bid and may not refuse to provide coverage to the district as part of the group or association. "

**Renumber:** subsequent subsection

5. Page 2, following line 14.

**Insert:** "NEW SECTION. Section 2. **Effective date.** [This act] is effective on passage and approval."

- END -

**Committee Vote:**

**Yes 5, No 3**

Fiscal Note Required



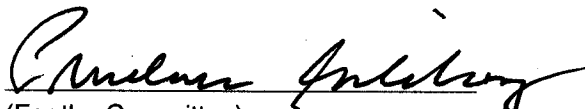
380955SC.spb

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**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE** TABLED **SB 336**, by motion,  
on **Monday, February 19, 2007**.

  
(For the Committee)



\_\_\_\_\_  
(Secretary of the Senate)

\_\_\_\_\_  
(Time)

\_\_\_\_\_, 2-20  
(Date)

February 19, 2007

Prudence E. Gildroy, Secretary

Phone: 4759

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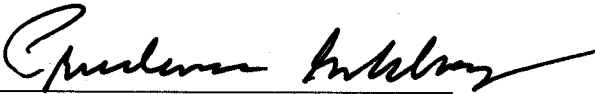


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**COMMITTEE FILE COPY**

**TABLED BILL**

The **SENATE PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE** TABLED **SB 394**, by motion,  
on **Monday, February 19, 2007**.



(For the Committee)



(Secretary of the Senate)

12-70

(Time)

(Date)

February 20, 2007

Prudence E. Gildroy, Secretary

Phone: 4759

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[illegible]

[illegible]

## SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f), a committee member may vote by proxy using a standard form.

### PROXY VOTE

I, the undersigned, hereby authorize Senator Geller

to vote my proxy on any issue before the Senate Public Health

\_\_\_\_\_ Committee

held on Feb 19 2007, 2007.

SB 354 as amended NO  
SB 394 AXE to table  
SB 288 NO SB 186  
SJ 7 NO  
SB 397 NO

James D. O'Neil  
SENATOR  
STATE OF MONTANA

## SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f), a committee member may vote by proxy using a standard form.

### PROXY VOTE

I, the undersigned, hereby authorize Senator Williams

to vote my proxy on any issue before the Senate \_\_\_\_\_

Public Health Committee

held on \_\_\_\_\_, 2007.

Yes SB 288 amendments  
Yes and physician bill

John C. Williams  
SENATOR  
STATE OF MONTANA

**MONTANA STATE SENATE  
2007 LEGISLATURE**

**PUBLIC HEALTH, WELFARE, AND SAFETY**

**VISITOR REGISTER**

DATE 2-19

BILLS BEING HEARD TODAY SB 417

**PLEASE PRINT**

NAME	PHONE	REPRESENTING	BILL #	SUPPORT	OPPOSE
Sam McCall	670-3084	Billings Clinic	SB 417	X	
John Solheim	444-2100	St. Peter's Hosp	SB 417	X	
James Kitek	723-2440	St. James Healthcare	SB 417	X	
Mike Foster	237-3038	SVH, SJH, HPH	SB 417	X	
Bob Olsen	442-1911	MT Hospital Assoc	SB 417	X	
Cindy Morrison	605-333-6570	Sanford Health	SB 417	X	
John Nordwick	406-585-4441	Bozeman Deaconess	SB 417	X	
Steve Akre	771-3158	Great Falls Clinic	SB 417		✓
Nicholas Wolter	406-238-2609	Billings Clinic	SB 417	X	
JANE Drolet	406-727-5577	Central Montana Hospital	SB 417		X
Yamin Khelaji	406-727-5577	Central MT Hosp / GF Clinic	SB 417		X
Jim Elliott	406-238-6549	Montana Ortho Soc	SB 417		X
Steve Klean	406-651-9329	Montana Ortho	SB 417		X
John Michelotti	406-457-2591	Helena Orthopedics	SB 417		X
Shirley Ambrosini	406-444-3118	MONTANA ORTHO ASSOCIATION PHYSICIAN ASS	SB 417		X
Albert D. Okazinski	406-257-3344	Flathead Valley Orthopedics	SB 417		X
Rob Gagnon	237-5900	Mont Amb Surgery Assoc	SB 417		X
Kurt Kubicka MD	443-2101	YSU Lawrence St Helena	SB 417		✓
Mike Foster	237-3038	SVH, SJH, HPH	SB 415	✓	
John Thresh	442-1911	MTA	SJ 15	✓	

Mike Foster 237-3038 SVH, SJH, HPH SJ 19 ✓  
PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY



# VISITOR REGISTER

### BILLS BEING HEARD TODAY

**PLEASE PRINT**

[illegible]

**PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY**

## RBRVS SYSTEM

In 1992, Medicare changed the way it pays for physicians' services. Instead of basing payments on usual and customary charges, the federal government established a standardized physician payment schedule based on a Resource-Based Relative Value Scale (RBRVS). In the RBRVS system, payments for physician services are determined by the resource costs needed to provide them. The cost of providing each service is divided into three components: physician work, practice expense and professional liability insurance, each of which is resource-based. These factors are translated into relative value units (RVU) and payments are calculated by multiplying the combined RVUs of a service by a conversion factor (a monetary amount that is determined by the Centers for Medicare and Medicaid Services). Payments are also adjusted for geographical differences in resource costs.

The physician work component accounts, on average, for 52 percent of the total relative value for each service. The initial physician work relative values were based on the results of a Harvard University study. The factors used to determine physician work include the time it takes to perform the service; the technical skill and physical effort; the required mental effort and judgment; and stress due to the potential risk to the patient. The physician work relative values are updated each year to account for changes in medical practice. Also, the legislation enacting the RBRVS requires the Centers for Medicare and Medicaid Services (CMS) to review the whole scale at least every five years.

The practice expense component of the RBRVS accounts for an average of 44 percent of the total relative value for each service. Practice expense relative values were based on a formula using average Medicare approved charges from 1991 (the year before the RBRVS was implemented) and the proportion of each specialty's revenues that is attributable to practice expenses. However, in January 1999, CMS began a transition to resource-based practice expense relative values for each CPT code that differs based on the site of service. In 2002, the resource-based practice expenses were fully transitioned.

On January 1, 2000, CMS implemented the resource-based professional liability insurance (PLI) relative value units. The PLI component of the RBRVS accounts for an average of 4 percent of the total relative value for each service. With this implementation and final transition of the resource-based practice expense relative units on January 1, 2002, all components of the RBRVS are resource-based.

Annual updates to the physician work relative values are based on recommendations from a committee involving the AMA and national medical specialty societies. The AMA/Specialty Society RVS Update Committee (RUC) was formed in 1991 to make recommendations to CMS on the relative values to be assigned to new or revised codes in Current Procedural Terminology (CPT®). Nearly 8,000 procedure codes are defined in CPT, and the relative values in the RBRVS were originally developed to correspond to the procedure definitions in CPT. Changes in CPT necessitate annual updates to the RBRVS for the new and revised codes.

**SUSTAINABLE GROWTH RATE**

The sustainable growth rate (SGR) is a formula, implemented in 1998, that ties Medicare payments to physicians to changes in the economy, the total cost of all physician services in previous years, the number of Medicare beneficiaries, and several lesser factors. The SGR methodology was designed to annually adjust Medicare's conversion factor used in determining physician fees to bring Medicare physician spending in line with a spending target. Under this formula, the conversion factor is reduced and payments are cut if Medicare patients' use of services exceeds the gross domestic product (GDP).

Until 2002, total physician spending was below the target, so the conversion factor and, therefore, fees were increased annually. Spending on physician services exceeded the target in 2002, however, so Medicare physician fees were reduced by 4.8 percent. Since then, spending has continued to grow faster than the target, triggering negative SGR-determined updates. In response to concerns that lower fees would impede beneficiary access to services, however, Congress acted to prevent the negative updates from occurring from 2003 to 2006. The SGR methodology continues to be the law and physician spending continues to be above the target. As a result, Medicare physician fees were scheduled to be reduced by about 5 percent in 2007. In December, 2006, Congress once again interceded to avert a fee cut for 2007.